

PSJ3

Exhibit 38

From: Fitzsimons, Barry [JANUS]
To: Gorsky, Alex [JANUS]; Mathis, Jeff [JANUS]; Kuntz, Ron [OMP]; Chupa, Kati [JANUS]
Sent: 4/21/2001 1:52:13 PM
Subject: FW: 10 Arrested in Pr. William As Raids Find New Narcotic; OxyContin Linked

FYI. Barry

-----Original Message-----

From: Colligen, Bruce [JANUS]
Sent: Friday, April 20, 2001 4:11 PM
To: Fitzgerald, Dennis [JANUS]
Cc: Zollo, Steve [JANUS]; Fitzsimons, Barry [JANUS]; Hull, Martha [OMP]; Holleman, Jerry [JJCUS]; Bryant, Flora [JANUS]; Quinn, Margaret [MCCUS]; Warren, Thomas [OMP]; Procida, Kathy [JJCUS]; Lee, Kristy [JJCUS]; Comstock, Nancy [JJCUS]
Subject: FW: 10 Arrested in Pr. William As Raids Find New Narcotic; OxyContin Linked

Dennis,

The OxyContin issue continues to generate momentum as the following articles will attest, and state legislatures are responding. I have put our field directors on notice to carefully monitor any activity that may impact Duragesic. We want to be certain that Janssen (Duragesic) does not get caught in the OxyContin web, but we also need to have enough foresight to look towards the future of pain management and not be too limiting. I suggest we (SGA) draft some legislative language that our lobbyists can use in state legislatures if bad bills are introduced by well intentioned legislators that may impact access to Duragesic.

I am not endorsing a strategy that would specifically advance language about OxyContin. It is not our policy to advance language that would attack a competitor's product. Language that parenthetically protects *controlled* transdermal therapy may be sufficient. I need to have some understanding of other pain products that Janssen /JRF may have in development/licensing. What might we have that contains the same active ingredients as OxyContin? I am working with my SGA colleagues who cover the other J&J companies to draft some "hip pocket " language that could be used if needed to protect J&J business interests. Who is the point person on the Duragesic brand who can assist on this project?

As you know we have fought for the elimination of triplicate prescriptions and have been successful over the years. Abuse issues like this one, however always "raise the bar" and make our jobs more difficult.

Bruce

-----Original Message-----

From: Bryant, Flora [JANUS]
Sent: Monday, April 16, 2001 8:59 AM
To: Vaughan, Jack [JJCUS]; Colligen, Bruce [JANUS]
Subject: 10 Arrested in Pr. William As Raids Find New Narcotic; OxyContin Linked

10 Arrested in Pr. William As Raids Find New Narcotic; OxyContin Linked
To Deaths in Va.

The Washington Post via Dow Jones

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Metro; Page C08
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By Josh White
Washington Post Staff Writer

Prince William County and Manassas police raided three houses in the Yorkshire area late Friday, arresting 10 people and seizing more than 200 tablets of a potentially lethal painkiller that officials say is fast making inroads into the Washington region.

The drug, OxyContin, is a synthetic form of morphine usually prescribed for terminal cancer patients and others with chronic pain. The powerful opiate has been blamed for at least 39 deaths in Southwest Virginia since 1997, and narcotics officers warn that it could be the successor to heroin and cocaine among drug addicts. On the street, OxyContin sells for 10 times its pharmacy price.

Friday's arrests resulted from a seven-month investigation focusing on the Yorkshire residences, where undercover officers bought OxyContin and other drugs. In addition to the 200 pills, police seized \$2,000 in cash, two guns and unknown amounts of marijuana, cocaine and Dilaudid, another synthetic narcotic. Seven adults and three juveniles were rustled out of the homes during the 2 1/2-hour raid.

The illegal use of OxyContin, first noted in sparsely inhabited Appalachia, has spread to the Washington suburbs in recent months, police said. In February, a Manassas man was charged with stealing 90 bottles of the painkiller from a pharmacy in Fauquier County; that same month, more than \$12,000 worth of OxyContin was taken from a pharmacy in Fairfax.

OxyContin, the brand name for oxycodone, is manufactured by Purdue Pharma LP, of Stamford, Conn. In the past 18 months, police and health officials in southwestern Virginia and other rural areas have discovered a huge illegal market for the drug.

Virginia and other states have launched campaigns warning of the drug's effects, but those efforts have focused on rural communities where abuse is considered widespread. Last week, Virginia Attorney General Mark L. Earley (R) announced creation of a task force -- its members largely from the southwestern part of the state -- to address illegal use and sales of OxyContin.

"It's not just in the rural areas, it's all over," said 1st Sgt. Jay Lanham, who oversees narcotics detectives in Prince William. "We know there's a lot of OxyContin out there, and we know there's a lot of demand because the supply is moving very quickly. It is absolutely a significant problem here."

Initially, users simply swallowed the time-release pills or crushed and ate them. But Prince William police say some addicts now dissolve the pills in water and inject the drug like heroin, while others prefer to inject a rare liquid form. Detectives also have found OxyContin "lollipops."

Friday night's raid commenced about 9:30 p.m. when two dozen police vehicles descended on the Yorkshire neighborhood. SWAT teams simultaneously raided two homes, one on Maplewood Drive, the other not far away on Rugby Road. At the first address, a pit bull bit two SWAT members on the leg; inside, officers found a half-dozen people, some with needles hanging from their arms.

Arrested at the Maplewood home were Joseph Michaels, charged with four counts of conspiring to distribute OxyContin, two counts of distribution of cocaine, one count of conspiring to distribute methamphetamines and one count of maintaining a public nuisance; Leonard Michaels and Tanya Mullin, each charged with possession of cocaine; and Patrick Hogan, of Manassas Park, wanted on a fugitive charge of malicious wounding.

At the Rugby Road home, police arrested Carol Mullins on three counts of contributing to the delinquency of a minor and child endangerment. Three juveniles were charged with marijuana possession.

The suspects' ages were not available.

During the raids, police spotted a man suspected of selling OxyContin in the area. They later arrested him on distribution charges at his home on nearby Spruce Street. As Toby Terry, 31, was being apprehended, officers said they observed his wife, Mary, tossing OxyContin pills out a back window of the couple's house. She was charged with possession of the narcotic and child endangerment.

Terry, who described himself as an unemployed addict, said after his arrest that OxyContin is "a very nasty drug. It has definitely ruined my life."

According to search warrant affidavits filed in Prince William, police had been monitoring the Maplewood Drive and Rugby Road locations since early last year, responding to reports that residents were selling OxyContin.

At one point, according to the affidavits, an area doctor told police of her suspicions that several of her patients with prescriptions for OxyContin were "reselling these prescriptions on the street." Police then linked one of the patients to the Rugby Road address.

Prince William Maj. Ron Sullins said undercover detectives arranged to buy OxyContin and crack cocaine at both locations in recent months.

Police Chief Charlie T. Deane has no doubt that Prince William's first major OxyContin bust won't be its last. "I'm afraid this is going to be the first of many," he said. "It's a serious problem."

(END)

04:25 EDT April 15, 2001

:SUBJECT: DC

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